High cost transactions imposed on retail customers

156. SHRIMATI SUKHBUNS KAUR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has taken note of the high cost of transactions imposed by private and foreign banks on retail consumers and also the non-disclosures of several hidden charges on retail loans like housing and automobile loans; and

(b) if so, what steps have been taken to bring about transparency in these aspects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Indian Banks' Association (IBA) has prescribed the Fair Practice Code setting out standards of fair banking practices to be followed by the member banks while dealing with individual customers. The Fair Practice Code, *Inter-alia,* prescribes that a customer should be given upfront details of all charges applicable to the products offered by a bank.

RBI's directives against money laundering

157. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether RBI in coordination with SEBI and IRDA has issued stringent directives for banks to check money laundering and terror funding;

(b) if so, what are the directives that have been issued by RBI to banks; and

(c) what mechanism do the banks have to track down suspicious transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India has issued guidelines on "Know Your Customer" (KYC) norms to the banking sector. These guidelines are expected to help banks prevent laundering of criminal proceeds through the banking channel.

(c) In terms of the Prevention of Money Laundering Act, 2002, which